

PROPERTY TAX TREATMENT OF ROOFTOP SOLAR SYSTEMS

An aerial photograph showing a vast array of blue solar panels installed on a flat, white rooftop. The panels are arranged in neat, rectangular rows, separated by white metal racking. In the background, other similar solar installations are visible on adjacent roofs, and a line of green trees marks the horizon under a clear sky.

Revenue and Taxation Interim Committee
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Prepared by the Office of Legislative Research and General Counsel

CURRENT TREATMENT - TANGIBLE PERSONAL PROPERTY

Residential

- The presence of a system is not considered when real property is being assessed.
- If the system is owned by the homeowner, it is the homeowner's personal property and exempt from property tax under the household furnishings exemption.
- If system is owned by a third party and leased to the homeowner, the system is the third party's personal property and subject to property tax.

Commercial

- The presence of a system is not considered when real property is being assessed.
- If system is owned by the real property owner, it is treated as that entity's personal property and subject to property tax.
- If system is owned by a third party and leased to the real property owner, the system is the third party's personal property and subject to property tax.